



TO: Directors of Special Education

FROM: Norena A. Hale, Ph.D., Manager, Division of Special Education
Cecelia Dodge, Supervisor, Division of Special Education

DATE: January 17, 2001

RE: Medicaid Payment for Assistive Technology Devices

This memorandum confirms that local and/or state school district funds may be used as matching funds for the Medicaid purchase of assistive technology devices. A school district that purchases an assistive technology device may claim both state special education aid and Medicaid reimbursement for the device. A question arose in this area because, under federal Medicaid law, equipment and other tangible devices that are paid for with Medicaid funds must belong to the Medicaid recipient. Directors of Special Education pointed out that the Department of Children, Families & Learning has a policy that equipment purchased with local or state funds must remain the property of the district. The Directors asked whether, in cases where these local or state funds were used as the matching funds for the Medicaid purchase of assistive technology for a student, a district that complied with the Department's policy would be in violation of federal Medicaid law.

It is the Department of Children, Families & Learning's position that school districts, that are acting as Medicaid vendors or service providers of special education and special education related services, may provide necessary assistive technology devices to students with payment, in part, by Medicaid, and payment, in part, with local or state school district funds. This assumes that all other special education and Medicaid laws and rules are complied with regarding the provision of these devices and that the devices otherwise qualify for Medicaid reimbursement. Ownership of such provided equipment (i.e., via expenditure of Medicaid funds) is vested in the Medicaid recipient, not the school district.

In reviewing this question, it appeared that the policy regarding district ownership of equipment purchased with local or state funds, stemmed from audit practices and principles but not from any specific state law. In contrast, the legislature has mandated that the department maximize medical assistance reimbursement for services provided pursuant to Individualized Education Programs (IEPs). (Mn.Stat. §125A.744) Providing necessary assistive technology with, in part, Medicaid funds, conforms with this directive.

The proposed UFARS code for the expenditure is Object Code 381 (Equipment Provided - Third Party Billing), to denote a total expenditure of \$500 or more, utilizing Medicaid funds in combination with state or local funds, and, without a resultant additional asset to the school district. In EDRS, the expenditure would be reported with Service Code P - Equipment for Instruction. Purchases of assistive technology devices under \$500 should be reported in UFARS and EDRS as expenditures for supplies, using current guidelines.

Questions regarding this memorandum should be directed to Tom Delaney at 651-634-2228 email: Tom.Delaney@state.mn.us or Deborah Maruska at 651-582-8263 email: [Deborah.Maruska\(g\),state.mn.us](mailto:Deborah.Maruska(g),state.mn.us)